RULES
OF
SECRETARY OF STATE
COMMISSIONER OF SECURITIES

CHAPTER 590-4-8
INVESTMENT ADVISERS

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590-4-8-.01 Investment Adviser Registration Application.

(1) Unless otherwise provided, an application for registration of an investment adviser filed pursuant to OCGA § 10-5-3 shall be filed on a Form ADV (the Uniform Application for Investment Adviser Registration promulgated by the United States Securities and Exchange Commission [17 C.F.R. 279.1]) or any successor form, in accordance with the instructions contained therein, with the Commissioner through the Investment Adviser Registration Depository, including processing of investment adviser representatives through the Central Registration Depository, operated by the National Association of Securities Dealers (hereinafter referred throughout these rules as “IARD”), and shall

include additional information required by subparagraphs (1)(a)-(d) of this Rule 590-4-8-.01. The application for registration shall be accompanied by the following:

(a) Proof of compliance by the investment adviser with the examination requirements of Rule 590-4-8-.07;

(b) Such financial statements as may be required by OCGA § 10-5-3(e)(8) and Rule 590-4-8-.14. Such financial statements, if required, shall include at the time of application a copy of the balance sheet for the most recent fiscal year prepared in accordance with generally accepted accounting principles. Audited balance sheets prepared by an independent public accountant shall be filed by investment advisers that have custody of client funds or securities or that require prepayment of more than $500.00 in fees per client six or more months in advance;

(c) The fees required by OCGA § 10-5-3 and Rule 590-4-8-.03; and

(d) Any other documents or information required by statute or requested by the Commissioner.

(2) A Form ADV:

(a) filed by an investment adviser corporation, partnership, sole proprietorship, or other entity which is not registered when such form is filed and which succeeds to and continues the business of a predecessor corporation, partnership, sole proprietorship, or other entity registered as an investment adviser shall be deemed to be an application for registration even though designated as an amendment if the succession is based solely on a change in the

predecessor's form of organization and the amendment is filed to reflect that change;

(b) filed by an investment adviser partnership which is not registered when such form is filed and which succeeds to and continues the business of a predecessor partnership registered as an investment adviser shall be deemed to be an application for registration even though designated as an amendment if it is filed to reflect the changes in the partnership and to furnish required information concerning any new partners; or

(c) filed by an investment adviser corporation which is not registered when such form is filed and which succeeds to and continues the business of a predecessor corporation registered as an investment adviser shall be deemed to be an application for registration even though designated as an amendment if the succession is based solely on a change in the predecessor's state of incorporation and the amendment is filed to reflect that change.

(3) Except as provided by Rules 590-4-8-.18 and 590-4-8-.20 relating to federal covered advisers, Part II of the Form ADV shall be filed manually by every investment adviser applicant until such time as IARD is able to process Part II of the Form ADV. When IARD becomes capable of processing Part II of Form ADV, every investment adviser applicant (except as provided by Rules 590-4-8-.18 and 590-4-8-.20 relating to federal covered advisers) shall file Part II of Form ADV through IARD.

(4) The application for renewal registration as an investment adviser shall be filed with the Commissioner no later than December 31 of each year through IARD, shall contain the fee required by OCGA § 10-5-3(i) and Rule 590-4-8-.03, and shall contain such amendments to the initial registration, prepared in accordance with Rule 590-4-8-.18, as may be required by

applicable provisions of the Act. An investment adviser may also file a Form ADV-S (the Annual Report for Investment Advisers Registered under the Investment Advisers Act of 1940 as promulgated by the United States Securities and Exchange Commission [17 C.F.R. 179.3]) or any successor form with the Commission at the time an application for renewal registration is filed or at the time said Form ADV-S is filed with the United State Securities and Exchange Commission (hereinafter "SEC").

Authority OCGA §§ 10-5-3(e) and 10-5-10(d).

590-4-8-.02 Investment Adviser Representative Registration Application.

(1) The application for registration as an investment adviser representative pursuant to OCGA § 10-5-3(f) shall be filed by completing Form U-4 (the Uniform Application for Securities Industry Registration or Transfer) in accordance with the form instructions and filing Form U-4 with IARD. The application for registration shall be accompanied by:

(a) Proof of compliance by the investment adviser representative with the examination requirements of Rule 590-4-8-.07;

(b) The fees required by OCGA § 10-5-3 and Rule 590-4-8-.03; and

(c) Any other documents or information required by statute or requested by the Commissioner.

(2) The application for renewal registration as an investment adviser representative shall be filed with IARD no later than December 31 of each year. Said application shall include the fee required by OCGA § 10-5-3(i) and Rule 590-4-8-.03 and shall contain any amendments, prepared in accordance with Rule 590-4-8-.18 as may be required by the Act.

Authority OCGA §§ 10-5-3(f), 10-5-10(d) and 10-5-23.1.

590-4-8-.03 Fees for Registration and Applicants.

(1) At the time of filing by an investment adviser of an application for registration under the Act, the applicant shall pay to the Commissioner through IARD a fee of $250, no part of which shall be refunded.

(2) At the time of renewal by an investment adviser of its registration under the Act, the registrant shall pay to the Commissioner through IARD a fee of $100, no part of which shall be refunded.

(3) At the time of filing by an investment adviser representative of an application for registration under the Act, the applicant shall pay to the Commissioner through IARD a fee of $50, no part of which shall be refunded; provided, however, that any applicant who is currently registered with the Commissioner as a securities salesman at the time of application shall not be required to pay the fee required by this paragraph.

(4) At the time of renewal by an investment adviser representative of registration under the Act, the registrant shall pay to the Commissioner through IARD a fee of $40, no part of which shall be refunded; provided, however, that any registrant who is

currently registered with the Commissioner as a securities salesman at the time of renewal shall not be required to pay the fee required by this paragraph.

(5) In addition to the above fees, each applicant shall pay any and all processing costs or charges imposed by IARD incident to the registration or renewal.

(6) All fees related to initial registration and renewal of investment advisers and investment adviser representatives shall be submitted to IARD pursuant to IARD's instructions.

Authority OCGA §§ 10-5-3(i) and 10-5-10(d).

590-4-8-.04 Termination or Withdrawal of Registration.

(1) Any investment adviser who does not wish to renew its registration pursuant to OCGA § 10-5-3(i) shall file with IARD and consistent with IARD's instructions, on or before December 31 of the year in which its then-current registration expires, a Form ADV-W (Notice of Withdrawal of Registration as an Investment Advisor promulgated by the United States Securities and Exchange Commission [17 C.F.R. 279-2]) or any successor form prepared in accordance with the instructions contained therein.

(2) Any investment adviser who is no longer in existence or is not engaged in business as an investment adviser shall, upon such cessation, file with IARD and consistent with IARD's instructions a Form ADV-W or any successor form prepared in accordance with the instructions contained therein.

(3) Any investment adviser representative who does not wish to renew registration pursuant to OCGA § 10-5-3(i) shall file a Form U-5 (the Uniform Termination Notice for Securities Industry Registration) or any successor form with IARD and consistent with IARD's instructions, on or before December 31 of the year in which the current registration expires.

(4) Any investment adviser who wishes to terminate a current registration shall file a Form U-5 or any successor form with IARD and consistent with IARD's instructions.

(5) Every notice filed pursuant to this Rule 590-4-8-.04 shall become effective on the sixtieth (60th) day after the filing thereof with IARD or within such shorter period of time as the Commissioner may determine. If, prior to the effective date of a notice of withdrawal, the Commissioner has instituted a proceeding to suspend or revoke registration or to impose terms or conditions upon withdrawal pursuant to OCGA § 10-5-4, the notice of withdrawal shall not become effective except at such time and upon such terms and conditions as the Commissioner deems necessary or appropriate in the public interest or for the protection of investors.

Authority OCGA §§ 10-5-3(h), 10-5-4 and 10-5-10(d).

590-4-8-.05 Incomplete and Abandoned Applications.

(1) An application for registration as an investment adviser or investment adviser representative pursuant to OCGA § 10-5-3 is considered filed when the completed application and required filing fees are filed with and accepted by IARD on behalf of the Commissioner.

(2) Any application for registration as an investment adviser or investment adviser representative is deficient if any of the following conditions exist:

(a) the application is not in proper form; or

(b) the application is not in compliance with OCGA § 10-5-3 or any other provision of the Act or the Rules and Regulations promulgated thereunder.

(3) When an application is found to be deficient, the Commissioner may send a deficiency letter stating the grounds for noncompliance to the applicant and, if the applicant is an investment adviser representative, to the investment adviser who employs or proposes to employ such applicant. If no communication from the applicant clearing the deficiency is received by the Commissioner for a period of sixty (60) days, the Commissioner may issue a notice of opportunity for hearing, pursuant to OCGA § 10-5-16, stating that the Commissioner proposes to issue an order dismissing the application without prejudice.

(4) Except as otherwise required by law or rule, the filing of an application with IARD does not constitute registration in Georgia until the applicant is notified by IARD that the applicant's registration is effective in Georgia. The Commissioner is hereby authorized to participate as an automatic approval state in IARD and to waive any filing requirement that is not consistent with registration through IARD.

Authority OCGA §§ 10-5-3 and 10-5-10(d).

590-4-8-.07 Examinations.

The following provisions shall govern investment adviser and investment adviser representative examination requirements:

(1) Examination Requirements for Individual Investment Adviser or Investment Adviser Representative. An individual applying to be registered as an investment adviser or investment adviser representative shall provide the Commissioner with proof of passing, within two years of the date of application for registration, either:

(a) the Uniform Investment Adviser Law Examination (Series 65, as released on January 1, 2000 or later);

(b) the Uniform Investment Adviser Law Examination (Series 65, as released prior to January 1, 2000); and the General Securities Representative Examination (Series 7) or the Nonmember Examination (Series 2);

(c) the Uniform Investment Adviser Law Examination (Series 65, as released prior to January 1, 2000); and Investment Company Products/Variable Contracts Representative Examination (Series 6) and the Direct Participations Programs Representative Examination (Series 22); or

(d) the General Securities Representative Examination (Series 7) and the Uniform Combined State Law Examination (Series 66, as released January 1, 2000 or later).

(2) Grandfathering Provisions:

(a) With respect to investment adviser representatives, the examination requirement in paragraph (1) of this Rule 590-4-8-.07

is waived for any applicant who prior to March 18, 2003 shows proof satisfactory to the Commissioner that such applicant has no reportable disclosures on CRD or IARD and was engaged in business activities for the past 3 consecutive years, which activities would have required registration as an investment adviser representative under the Act, except that the Commissioner may require additional examinations for any individual found to have violated any state or federal securities law, or rules or regulations.

(b) Any individual who is registered as an investment adviser or investment adviser representative in any jurisdiction in the United States on the effective date of this rule shall not be required to satisfy the examination requirements for registration except that the Commissioner may require additional examinations for any individual found to have violated any state or federal securities law, or rules or regulations.

(3) The examination requirement for individuals seeking registration as investment advisers or investment adviser representatives shall not apply to an individual who currently holds one of the following professional designations: 1. Certified Financial Planner (CFP) awarded by the Certified Financial Planner Board of Standards, Inc.; 2. Chartered Financial Consultant (ChFC) awarded by the American College, Bryn Mawr, PA; 3. Personal Financial Specialist (PFS) awarded by the American Institute of Certified Public Accountants; 4. Chartered Financial Analyst (CFA) awarded by the Institute of Chartered Financial Analysts; or 5. Chartered Investment Counselor (CIC) awarded by the Investment Counsel Association of America, Inc.

(4) Any investment adviser or investment adviser representative who wishes to rely on passage of any examination other than those enumerated in subparagraph (1) above or who wishes to request a waiver of the examination requirements of this Rule 590-4-8-.07

must submit a written request for consideration, identifying the examination in question, its content, and the agency administering the examination, and the reason why a waiver should be granted by the Commissioner. Acceptance of the results of such examination or the waiver of the examination is solely within the Commissioner's discretion. An investment adviser or investment adviser representative who wishes to request a one-time extension of time in which to show proof of compliance with subparagraph (1) above must submit a written request for consideration, identifying the extenuating circumstances which necessitate such a request. The granting or denial of such a one-time request for extension of time is solely within the Commissioner's discretion.

(5) An investment adviser who is not an individual shall meet the examination requirement imposed by this Rule 590-4-8-.07 by showing proof of compliance on a continuing basis with the provisions of subparagraph (1), (2), (3) or (4) of this Rule 590-4-8-.07 by any one of its investment adviser representatives who is currently engaged in the management of the investment adviser's business in the State of Georgia, including the supervision or conduct of such business or the training of investment advisory representatives or employees for any of those functions.

(6) Reexamination upon Lapse of Registration. Any person whose most recent registration as an investment adviser or investment adviser representative has been terminated for two or more years immediately preceding application to the Commissioner for registration shall be required to comply with the examination requirements herein.

Authority OCGA §§ 10-5-3(e), 10-5-3(f) and 10-5-10(d).

590-4-8-.08 Books and Records to be Maintained by Investment Advisers

(1) Every investment adviser registered or required to be registered under this Act shall make and keep true, accurate and current the following books, ledgers and records:

(a) Those books and records required to be maintained and preserved in compliance with Rule 204-2 of the Investment Advisers Act of 1940 (17 C.F.R. 275.204-2 (1996)), notwithstanding the fact that the investment adviser is not registered or required to be registered under the Investment Advisers Act of 1940.

(b) All trial balances, financial statements prepared in accordance with generally accepted accounting principles, and internal audit working papers relating to the investment adviser's business as an investment adviser.

(c) A list or other record of all accounts with respect to the funds, securities, or transactions of any client.

(d) A copy in writing of each agreement entered into by the investment adviser with any client.

(e) A file containing a copy of each record required by Rule 204-2(11) of the Investment Advisers Act of 1940 including any communication by electronic media that the investment adviser circulates or distributes, directly or indirectly, to two or more persons (other than persons connected with the investment adviser).

(f) A copy of each written statement and each amendment or revision given or sent to any client or prospective client of the investment adviser in accordance with the provisions of Rule 590-4-8-.10 and a record of the dates that each written statement, and each amendment or revision was given or offered to be given to any client or prospective client who subsequently becomes a client.

(g) For each client that was obtained by the adviser by means of a solicitor to whom a cash fee was paid by the adviser, records required by Rule 206(4)-3 of the Investment Advisers Act of 1940, notwithstanding the fact that the investment adviser is not registered or required to be registered under the Investment Advisers Act of 1940.

(h) All records required by Rule 204-2(16) of the Investment Advisers Act of 1940 including but not limited to electronic media that the investment adviser circulates or distributes, directly or indirectly, to two or more persons (other than persons connected with the investment adviser).

(i) A file containing a copy of all written communications received or sent regarding any litigation involving the investment adviser or any investment adviser representative or employee, and regarding any written customer or client complaint.

(j) Written information about each investment advisory client that is the basis for making any recommendation or providing any investment advice to such client.

(k) Written procedures to supervise the activities of employees and investment adviser representatives that are reasonably designed to achieve compliance with applicable securities laws and regulations.

(l) A file containing a copy of each document (other than any notices of general dissemination) that was filed with or received from any state or federal agency or self regulatory organization and that pertains to the registrant or its investment adviser representatives. The file should contain, but is not limited to, all applications, amendments, renewal filings, and correspondence.

(2) Every investment adviser subject to paragraph (1) of this Rule 590-4-8-.08 shall preserve the following records in the manner prescribed:

(a) Books and records required to be made under the provisions of paragraph (1)(a) of this Rule 590-4-8-.08 shall be maintained and preserved in an easily accessible place for a period of not less than five years from the end of the fiscal year during which the last entry was made on such record, the first two years in the principal office of the investment adviser.

(b) Books and records required to be made under the provisions of paragraphs (1)(b)-(1)(l), inclusive, of this Rule 590-4-8-.08 shall be maintained and preserved in an easily accessible place for a period of not less than five years from the end of the fiscal year during which the last entry was made on such record, the first two years in the principal office of the investment adviser or for the time period during which the investment adviser was registered or required to be registered in the state, if less.

(c) Notwithstanding other record preservation requirements of this Rule, the following records or copies shall be required to be maintained at the business location of the investment adviser from which the customer or client is being provided or has been provided with investment advisory services:

1. records required to be preserved under

(i) paragraphs (a)(3), (a)(7)-(10), (a)(14)-(15), (b) and (c) inclusive, of SEC Rule 204-2 of the Investment Advisers Act of 1940 (17 C.F.R. 275.204-2 (1996)), and

(ii) paragraphs (1)(i)-(k) of this Rule 590-4-8-.08; and

2. the records or copies required under the provision of paragraphs (1)(l) of this Rule 590-4-8-.08 and (a)(16) of SEC Rule 204-2 of the Investment Advisers Act of 1940 (17 C.F.R. 275.204-2 (1996)) which records or related records identify the name of the investment adviser representative providing investment advice from that business location, or which identify the business locations' physical address, mailing address, electronic mailing address, or telephone number. These records will be maintained for the period described in paragraph (2) of this Rule 590-4-8-.08.

(3) To the extent that the U.S. Securities and Exchange Commission promulgates changes to the above-referenced rules of the Investment Advisers Act of 1940, investment advisers in compliance with such rules as amended shall not be subject to enforcement action by the Commissioner for violation of this Rule 590-4-8-.08 to the extent that the violation results solely from the investment adviser's compliance with the amended rule.

(4) Every investment adviser that maintains its principal place of business in a state other than Georgia shall be exempt from the requirements of this Rule 590-4-8-.08, provided the investment adviser is registered in such state as an investment adviser and is in compliance with that state's recordkeeping requirements.

Authority OCGA §§ 10-5-2(a), 10-5-3(k), 10-5-10(d).

590-4-8-.12 Performance-Based Compensation Exemption.

(1) General. The provisions of OCGA § 10-5-12(j) will not be deemed to prohibit an investment adviser from entering into, performing, renewing or extending an investment advisory contract that provides for compensation to the investment adviser on the basis of a share of the capital gains upon, or the capital appreciation of, the funds, or any portion of the funds, of a client; provided, that the client entering into the contract subject to this section is a qualified client, as defined in paragraph (4)(a) of this Rule 590-4-8-.12.

(2) Identification of the client. In the case of a private investment company, as defined in paragraph (4)(c) of this Rule, an investment company registered under the Investment Company Act of 1940, or a business development company, as defined in section 202(a)(22) of the Investment Advisers Act [15 U.S.C. 80b-2(a)(22)], each equity owner of any such company (except for the investment adviser entering into the contract and any other equity owners not charged a fee on the basis of a share of capital gains or capital appreciation) will be considered a client for purposes of paragraph (1) of this Rule 590-4-8-.12.

(3) Transition rule. An investment adviser that entered into a contract which was in compliance with Rules on the date of the contract will continue to be in compliance for the contract term notwithstanding subsequent rule modifications. However, upon renewal or modification of a pre-existing contract, or creation of a new contract by any natural person or company, the contract shall be in compliance with the Rules in effect on the date of the renewed, modified, or new contract.

(4) Definitions. For the purposes of this Rule 590-4-8-.12:

(a) The term "qualified client" means:

1. A natural person who or a company that immediately after entering into the contract has at least $750,000 under the management of the investment adviser;

2. A natural person who or a company that the investment adviser entering into the contract (and any person acting on his behalf) reasonably believes, immediately prior to entering into the contract, either:

(i) Has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than $1,500,000 at the time the contract is entered into; or

(ii) Is a qualified purchaser as defined in section 2(a)(51)(A) of the Investment Company Act of 1940 [15 U.S.C. 80a-2(a)(51)(A)] at the time the contract is entered into; or

(iii) A natural person who immediately prior to entering into the contract is:

(I) An executive officer, director, trustee, general partner, or person serving a similar capacity, of the investment adviser; or

(II) An employee of the investment adviser (other than an employee performing solely clerical, secretarial or administrative functions with regard to the investment adviser) who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such employee has been performing such functions and duties for or on behalf of the investment adviser, or substantially similar functions or duties for or on behalf of another company for at least 12 months.

(b) The term "company" has the same meaning as in section 202(a)(5) of the Investment Advisers Act of 1940 [15 U.S.C. 80b-2(a)(5)], but does not include a company that is required to be registered under the Investment Company Act of 1940 but is not registered.

(c) The term "private investment company" means a company that would be defined as an investment company under section 3(a) of the Investment Company Act of 1940 [15 U.S.C. 80a-3(a)] but for the exception provided from that definition by section 3(c)(1) or 3(c)(7) of the Investment Company Act of 1940 [15 U.S.C. 80a-3(c)(1) and 15 U.S.C. 80a-3(c)(7)].

(d) The term "executive officer" has the same meaning as set forth in OCGA § 10-5-2(a)(13) and is expressly incorporated herein by reference.

(5) Other. Any person entering into or performing an investment adviser contract under this Rule 590-4-8-.12 is not relieved of any other obligations under OCGA § 10-5-12 or any other applicable provision of the Act or any Rule or order thereunder.

Authority OCGA §§ 10-5-12(j) and 10-5-10(d).

590-4-8-.15 Custody or Possession of Funds or Securities of Clients.

(1) It shall constitute a dishonest practice within the meaning of OCGA § 10-5-12(h) for any investment adviser who has custody or possession of any funds or securities in which any client has any beneficial interest to do any act or take any action, directly or indirectly, with respect to any such funds or securities, unless:

(a) The investment adviser notifies the Commissioner in writing that the investment adviser has or may have custody. Such notification shall be given on Form ADV through IARD;

(b) The securities of each client are segregated, marked to identify the particular client who has the beneficial interest therein, and held in safekeeping in some place reasonably free from risk of destruction or other loss;

(c) All such funds of such clients are deposited in one or more bank accounts which contain only clients' funds; such account or accounts are maintained in the name of the investment adviser as agent or trustee for such clients; and the investment adviser maintains a separate record for each such account which shows the name and address of the bank where such account is maintained, the dates and amounts of deposits in and withdrawals from such account, and the exact amount of each client's beneficial interest in such account;

(d) Immediately after accepting custody or possession of such funds or securities from any client, the investment adviser notifies the client in writing of the place and manner in which such funds and securities will be maintained, and, subsequently, if and when there is any change in the place or manner in which such funds or securities are being maintained, the investment adviser gives written notice thereof to the client;

(e) At least once every three (3) months, the investment adviser sends each such client an itemized statement showing the funds and securities in the investment adviser's custody or possession at the end of such period, and all debits, credits and transactions in such client's account during such period; and

(f) At least once every calendar year, an independent certified public accountant or an independent public accountant verifies all client funds and securities of clients by actual examination at a time chosen by the accountant without prior notice to the investment adviser. A report of such accountant, stating that he has made an examination of such funds and securities and describing the nature and extent of such examination, shall be filed with the Commissioner promptly after each such examination. Such accountant's report should comply with the usual technical requirements as to dating, salutation, and manual signature and should include in general terms an appropriate description of the scope of the physical examination of the securities and examination of the related books and records. In addition such accountant's report should set forth:

1. The date of the physical count and confirmation of balances of the clients' accounts;

2. A clear designation of the place and manner in which funds and securities are maintained;

3. Whether the examination was made with prior notice to the adviser; and

4. The results of the examination, including an expression of opinion as to whether, with respect to the rules under the Act, the investment adviser was in compliance with this Rule 590-4-8-.15 as at the examination date and had been complying with this Rule 590-4-8-.15 during the period since the prior examination date; and whether, in connection with the examination, anything came to the accountant's attention which caused him to believe that the investment adviser had not been complying with this Rule 590-4-8-.15 during the period since the prior examination date. Any

material inadequacies found to exist in the books, records, and safekeeping facilities referred to in this Rule 590-4-8-.15 should be identified and any corrective action taken or proposed should be indicated.

(2) This Rule 590-4-8-.15 shall not apply to an investment adviser also registered as a dealer under OCGA § 10-5-3 and under Section 15 of the Securities Exchange Act of 1934 if such dealer is subject to and in compliance with Securities and Exchange Commission Rule 15c3-1 under the Securities Exchange Act of 1934 or such dealer is a member of an exchange whose members are exempt from said Rule 15c3-1, under the provisions of paragraph (b)(2) thereof, and such dealer is in compliance with all rules and settled practices of such exchange imposing requirements with respect to financial responsibility and the segregation of funds or securities carried for the account of customers.

Authority OCGA §§ 10-5-12(h) and 10-5-10(d).

590-4-8-.18 Amendment of Registration Documents Filed by Investment Advisers and Investment Adviser Representatives.

(1) Except as provided by paragraph (5) of this rule 590-4-8-.18 and rule 590-4-8-.20 relating to federal covered advisers, any amendment required or permitted by OCGA § 10-5-3 for an investment adviser shall be made on Form ADV or any successor form in the manner prescribed by that form through IARD.

(2) Any amendment required or permitted by OCGA § 10-5-3 for an investment adviser representative shall be made on Form U-4 or any successor form in the manner prescribed by that form through IARD.

(3) If the information contained in any response to Items 1, 2, 3, 4, 5, 8, 9, 10, and 11, of Part 1A and Items 1 and 2 of Part 1B of the Form ADV application for registration as an investment adviser, or any amendment thereto or renewal thereof, becomes inaccurate for any reason, the investment adviser (except as provided by paragraph (5) of this Rule 590-4-8-.18 relating to federal covered advisers) shall promptly file an amendment on Form ADV correcting such information through IARD.

(4) If the information contained in any response to any items of Part II (except the Item pertaining to the Balance Sheet) of the Form ADV application for registration as an investment adviser, or any amendment thereto or renewal thereof, becomes inaccurate in a material manner, the investment adviser (except as provided by paragraph (5) of this Rule 590-4-8-.18 and Rule 590-4-8-.20 relating to federal covered advisers) shall promptly file an amendment on the Form ADV correcting such information. Until IARD is capable of processing Part II of the Form ADV, such Part II amendments to Form ADV shall be filed manually with the State by the investment adviser (except as provided by paragraph (5) of this Rule 590-4-8-.18 and Rule 590-4-8-.20 relating to federal covered advisers). After IARD obtains the capability of processing Part II of the Form ADV, all such amendments shall be filed through IARD by the investment adviser (except as provided by paragraph (5) of this Rule 590-4-8-.18 and Rule 590-4-8-.20 relating to federal covered advisers).

(5) Any amendment to its federal registration filed by or on behalf of a federal covered adviser with the Securities and Exchange Commission shall also be filed at the same time through IARD with the State.

(6) For all other changes not designated in paragraphs (3) and (4) of this Rule 590-4-8-.18, the investment adviser (except as provided by paragraph (5) of this Rule 590-4-8-.18 and Rule 590-4-8-.20 relating to federal covered advisers) shall file through IARD an amendment of the Form ADV correcting such information along with the application for renewal registration described in paragraph (4) of Rule 590-4-8-.01 on or before December 31st in the calendar year in which such changes occur.

Authority OCGA §§ 10-5-3(m) and 10-5-10(d).

590-4-8-.19 Transition Schedule for Conversion to IARD.

(1) Electronic Filing Of Form ADV.

(a) By April 1, 2003, each investment adviser registered, required to be registered, or required to make a notice filing under the Act must resubmit its Form ADV electronically (if it has not previously done so) with IARD unless it has been granted a hardship exemption.

(b) If an amendment to Form ADV is made after April 1, 2003, or at an earlier date if an investment adviser has filed its Form ADV (or any amendments to Form ADV) electronically with IARD, the registrant must consistent with Rule 590-4-8-.18 file amendments to Form ADV electronically with IARD, unless it has been granted a hardship exemption.

(2) Electronic Filing of Form U-4. By May 1, 2003, for each investment adviser representative registered, required to be registered, or required to make a notice filing under the Act, Form U-4 must be resubmitted electronically (if it has not previously been done) with IARD, unless the investment adviser (filing on

behalf of the investment adviser representative) has been granted a hardship exemption.

(3) Designation. Pursuant to OCGA § 10-5-3, the Commissioner designates the IARD system, as well as the Central Registration Depository, operated by the National Association of Securities Dealers to receive and store filings and collect related fees from investment advisers and investment adviser representatives on behalf of the Commissioner.

(4) Filing. Every document filed with the IARD system, as well as the Central Registration Depository, operated by the National Association of Securities Dealers shall be deemed a "document filed with the Commissioner" for the purposes of OCGA § 10-5-12(c).

Authority OCGA §§ 10-5-3(e), 10-5-3(f), 10-5-3(g), 10-5-3(i), 10-5-3(m), 10-5-10(d) and 10-5-23.1.

590-4-8-.20 Notice Filing Requirements for Federal Covered Advisers

(1) Notice Filing. The notice filing for a federal covered adviser pursuant to OCGA § 10-5-3(g) of the Act shall be filed with IARD on a Form ADV (the Uniform Application for Investment Adviser Registration, promulgated by the United States Securities and Exchange Commission [17 C.F.R. 279.1]) or any successor form, in accordance with the instructions contained therein. A notice filing of a federal covered adviser shall be deemed filed when the fees required by statute or regulation and the Form ADV are filed with and accepted by IARD on behalf of the Commissioner.

(2) Portions of Form ADV Not Yet Accepted by IARD. Until IARD provides for the filing of Part 2 of the Form ADV, the Commissioner will deem filed Part 2 of the Form ADV if a federal covered adviser provides, within 5 days of a request, Part 2 of the Form ADV to the Commissioner. Because the Commissioner deems Part 2 of the Form ADV to be filed, a federal covered adviser, consistent with Rule 590-4-8-.18, is not required to submit Part 2 of Form ADV to the Commissioner unless requested.

(3) Renewal. The annual renewal of the notice filing for a federal covered adviser pursuant to OCGA § 10-5-3(i) shall be filed with IARD. The renewal of the notice filing for a federal covered adviser shall be deemed filed when the fee required by OCGA § 10-5-3(j) is filed with and accepted by IARD on behalf of the Commissioner.

(4) Updates and Amendments. Consistent with Rule 590-4-8-.18, a federal covered adviser must file with IARD, in accordance with the instructions in the Form ADV, any amendments to the federal covered adviser's Form ADV.

Authority OCGA §§ 10-5-3(e), 10-5-3(f) and 10-5-10(d).